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CARE UNLIMITED, INC.
FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 1998
AND INDEPENDENT AUDITOR'S REPORT

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DLC 30 1998

**CARE UNLIMITED, INC.
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INDEPENDENT AUDITOR'S REPORT

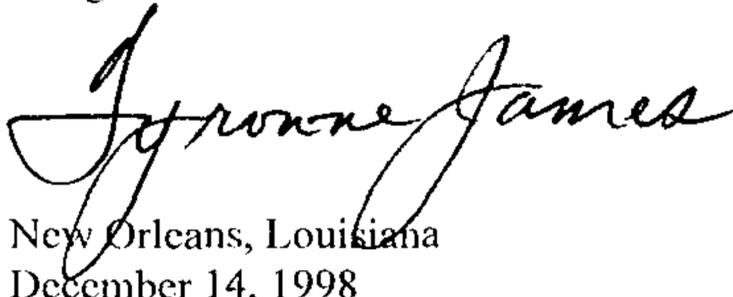
To the Board of Directors of
Care Unlimited, Inc.

I have audited the accompanying statement of financial position of Care Unlimited, Inc. (a nonprofit organization) as of June 30, 1998, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Care Unlimited, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Care Unlimited, Inc. as of June 30, 1998, and the changes in its net assets and its cash flows for the year ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 14, 1998, on my consideration of Care Unlimited, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.


New Orleans, Louisiana
December 14, 1998

CARE UNLIMITED, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 1998

ASSETS

Current Assets

Cash	\$ 22,812
Grants Receivable	<u>6,602</u>
Total Current Assets	29,414

Fixed Assets

Equipment	\$ 23,070
Accumulated Depreciation	<u>(12,017)</u>
Total Fixed Assets	<u>11,053</u>

TOTAL ASSETS	<u>\$ 40,467</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$ 13,645
Payrolls Payable	2,016
Taxes Payable	<u>5,348</u>
Total Current Liabilities	21,009

Net Assets

Net Assets	19,458
Change In Net Assets	<u>0</u>
Total Net Assets	<u>19,458</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 40,467</u>
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See the Accompanying Notes to the Financial Statements.

CARE UNLIMITED, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1998

REVENUES

Grant Revenue \$403,139

TOTAL REVENUES 403,139

EXPENSES

Program Services

Contractual Services \$ 220,251
Rent 18,800
Salaries & Wages 25,950
Payroll Taxes 14,171
Supplies Expense 2,420

Support Services

Contractual Services 73,333
Accounting and Legal 11,279
Office Expense 10,800
Audit Fees 4,500
Depreciation 4,754
Telephone 4,861
Utilities 4,618
Auto Expenses 3,000
Insurance 2,217
Postage 1,507
Bank Charges 384
Miscellaneous 294

TOTAL EXPENSES 403,139

CHANGE IN NET ASSETS 0

See the Accompanying Notes to the Financial Statements.

CARE UNLIMITED, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES

Increase In Net Assets	0
Changes in Operating Assets and Liabilities:	
Depreciation Expense	\$ 4,754
Decrease in Grants Receivable	13,507
Decrease in Accounts Payable	(5,651)
Increase in Payroll Taxes Payable	265
Increase in Payrolls Payable	2,016
	<hr/>
Net Increase in Cash From Operating Activities	14,891

CASH FLOWS FROM INVESTING ACTIVITIES 0

CASH FLOWS FROM FINANCING ACTIVITIES

0

NET INCREASE IN CASH AND CASH EQUIVALENTS 14,891

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

7,921

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 22,812

See the Accompanying Notes to the Financial Statements.

CARE UNLIMITED, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1998

A--NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Care Unlimited, Inc.(a nonprofit entity) is located at 2103 Louisiana Avenue in New Orleans, Louisiana. Care Unlimited, Inc. administers two programs. Project Chance offers *One-on-One and Group Counseling Services to males youth ages 9-20*. The Bridge Program delivers educational services to pregnant teens. The Bridge program receives funding from the Louisiana Department of Education, Project Chance receives funding from the Louisiana Governor's Office of Urban Affairs and Development.

Basis of Accounting

The financial statements of Care Unlimited, Inc. are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Cash

Cash is comprised of cash on hand and in banks.

Income Taxes

Care Unlimited, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code.

Fixed Assets

Fixed assets are recorded at cost. Depreciation is computed using the straight- line method over a 5 year useful life.

SUPPLEMENTAL INFORMATION

CARE UNLIMITED, INC.
SCHEDULE OF REVENUES & EXPENSES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 1998

REVENUES	Project Chance	Bridge Program	Total
Grant Revenue	\$ 203,139	\$ 200,000	\$ 403,139
TOTAL REVENUES	203,139	200,000	403,139
EXPENSES			
Program Services			
Contractual Services	108,122	112,129	220,251
Rent	11,000	7,800	18,800
Salaries and Wages	10,750	15,200	25,950
Payroll Taxes	6,558	7,613	14,171
Supplies Expense	50	2,370	2,420
Support Services			
Contractual Services	38,333	35,000	73,333
Accounting and Legal	10,245	1,034	11,279
Office Expense	2,382	8,418	10,800
Audit Fees	2,500	2,000	4,500
Depreciation	4,754	-	4,754
Telephone	2,403	2,458	4,861
Utilities	3,917	701	4,618
Automobile Expenses	-	3,000	3,000
Insurance	1,050	1,167	2,217
Miscellaneous	294	-	294
Postage	631	876	1,507
Bank Charges	150	234	384
TOTAL EXPENSES	203,139	200,000	403,139
CHANGE IN NET ASSETS	0	0	0

See the Accompanying Notes to the Financial Statements

TYRONNE JAMES
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
Care Unlimited, Inc.

I have audited the accompanying statement of financial position of Care Unlimited, Inc. (a nonprofit organization) as of June 30, 1998, and have issued my report thereon dated December 14, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

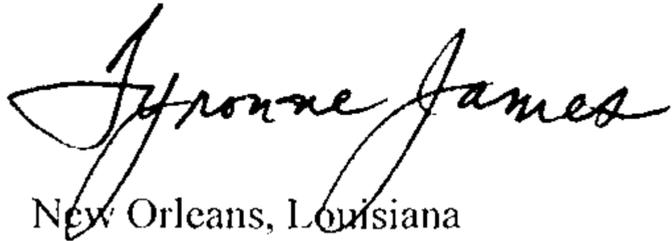
Compliance

As part of obtaining reasonable assurance about whether Care Unlimited, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Care Unlimited, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of Care Unlimited, Inc.'s Board of Directors, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited..

A handwritten signature in cursive script that reads "Thronne James". The signature is written in black ink and is positioned above the typed text.

New Orleans, Louisiana
December 14, 1998

CARE UNLIMITED, INC.

2103 Louisiana Avenue
New Orleans, Louisiana 70115

SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended June 30, 1998

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

FINDINGS

STATUS

1997-1 The audit was not completed timely. Care Unlimited, Inc. should ensure that the auditors are procured so that the auditor's report is issued within six months after the close of the auditee's fiscal year. Administrative support should be provided to the auditors.

Resolved

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

FINDINGS

STATUS

1997- None

SECTION III MANAGEMENT LETTER

1997- None